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PRESS RELEASE

FOR IMMEDIATE RELEASE: July 6, 2005

A Federal Energy Regulatory Commission (FERC) Judge ruled in favor of the Arkansas Public Service Commission in a dispute over Entergy power contracts filed with the Federal Energy Regulatory Commission in a decision issued June 30, 2005. The contracts, which allocate power from Entergy's wholesale operations to its retail operations in Louisiana, will reduce production cost disparities among the Entergy operating companies. The reduction in cost disparities reduces the likelihood that Arkansas ratepayers will be required to make payments to Louisiana customers under the plus and minus 11% bandwidth for Entergy system production costs adopted by the FERC on June 1, 2005. The contracts were also supported by the City of New Orleans and the Mississippi Public Service Commission.

FERC Administrative Law Judge Lawrence Brenner approved the contracts and ruled in favor of the Arkansas Commission's position on all issues affecting Arkansas ratepayers. Judge Brenner rejected arguments by the Louisiana Public Service Commission's litigation team that the benefits of the contracts should be assigned entirely to the

ratepayers of Entergy Louisiana and Entergy Gulf States. Judge Brenner also rejected arguments by other parties that would have harmed Arkansas ratepayers.

The Arkansas Public Service Commission is pleased with Judge Brenner's decision and will be not be appealing any of his rulings.

For more information, please call Rand Hightower at 682-5768.

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